

25X1A

OGC HAS REVIEWED.

21 October 1960

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MEMORANDUM FOR:

Chief, WA Division

SUBJECT : Tax Exemption for Donation of Funds

1. Transmitted herewith is a letter from the Internal Revenue Service dated October 21, addressed to a company which had made a donation and which was the subject of your memorandum of 17 October 1960 to Mr. Houston.

2. In transmitting the IRS letter to the company you are requested to remind the company that the limitations of Section 170(b) of the Internal Revenue Code are applicable with respect to the donation. For your information Section 170(b) is the provision which limits the contributions which may be deducted by corporations to five percent of the corporation's taxable income computed in accordance with the provisions of Section 170(b).

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Assistant General Counsel

Attachment

OGC/RHL:jor

Distribution:

- Orig. & 1 - Addressee
- 1 - ~~WATTS-1~~
- 1 - RHL Chrono
- 1 - East Chrono